



## Private School Choice Programs Fiscal Management Training

June 2020

The handouts are available at <https://dpi.wi.gov/sms/choice-programs/school-registration/new-schools>

*You must have the web meeting call your computer or dial in to hear audio:*  
1-877-820-7831, passcode 720972

If you are having technical issues getting connected, please call 608-267-1291.

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## Private School Choice Programs (Choice) Fiscal Management Training

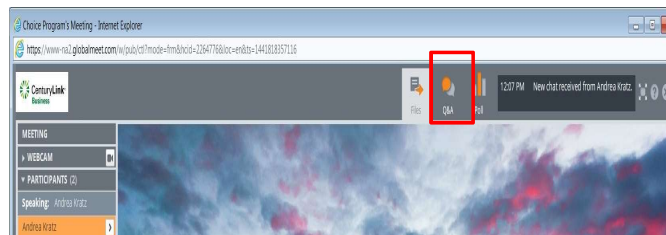
Presented by:  
Andrea Kratz & Rob Monroe  
School Finance Auditors

Note: Provisions in this presentation are subject to law changes.

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## Administrative

- All participants have been muted.
- If you have a question during the meeting, please use the Q&A button at the top of the screen.
- If you have any technical issues, please send a chat.



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## Participation Requirements

- Individuals must participate for the full training.
- Individuals must answer the questions throughout the training.
- Please enter the following in the chat now. Participants may be required to enter this information throughout the training.
  - Your name
  - School Name and school city

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## Agenda

- 2021-22 Budget Submission Requirements:
  - Overview of the Choice programs
  - Walkthrough how to complete the budget Excel file.
  - Hands on training completing schedules based on sample data.

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## OVERVIEW OF THE CHOICE PROGRAMS

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## General Program Information

- We will refer to the Private School Choice Programs as “Choice” or “Choice program” throughout this training.
- The Choice program is governed by Wis. Stat. § 119.23 and 118.60, as well as Wis. Admin. Codes PI 35 and 48.
- This training is based on the above statutes and administrative rules. Provisions of this training module are subject to statutory and rule changes.
- Private School Choice Program webpage:  
<https://dpi.wi.gov/sms/choice-programs>

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## Private School Choice Programs

**MPCP**

- Milwaukee Parental Choice Program (MPCP)
- Students residing in the City of Milwaukee

**RPCP**

- Racine Parental Choice Program (RPCP)
- Students residing in the Racine Unified School District

**WPCP**

- Wisconsin Parental Choice Program (WPCP)
- Students residing in Wisconsin outside the City of Milwaukee and the Racine Unified School District

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## DPI BUDGET & CASH FLOW REPORT ("BUDGET") DOCUMENT COMPLETION

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## Downloading the Budget

[HTTPS://DPI.WI.GOV/SMS/CHOICE-PROGRAMS/SCHOOL-REGISTRATION/NEW-SCHOOLS](https://dpi.wi.gov/sms/choice-programs/school-registration/new-schools)

### Required Forms & Documents Due by August 1, 2020:



Please read the Cover Letter Regarding School Registration Materials BEFORE completing or submitting any of the registration forms and other required materials.

- Registration Checklist
- Registration Cover Letter
- Auditor Fee
- Disclosure of Information Form [W](#)
- Disclosure of Information Template [W](#)
- The school must complete and submit the 2021-22 Budget & Cash Flow report.
- W-9 [W](#)
- New Supplier Form

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## Using the Budget Document

- Schools must use the DPI Budget & Cash Flow Report.
- The budget must be completed using Microsoft Excel.
- Do not use Google Docs or convert the file to Google Docs and then back to Excel.
- No formatting changes may be made to the budget.
- Do not change headers, footers, or how the document is printed (the print area or page set up).

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## Completion of the Budget

- The budget is required to be filled out at the legal entity level.
- All activity and balances for the legal entity of the school **MUST** be included.
- Organizations are considered the same legal entity if:
  - The organizations have the same federal tax id number and use it for all activities including payroll.
  - The organizations are NOT separately set up with the Department of Financial Institutions.

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## Budget Requirements

- The budget must show the school meets the following requirements:
  - A positive cash balance in every month (Schedule 8).
  - The school does not have an operating deficit (Schedule 9).
  - Sufficient contingency funding is available if enrollment is lower than anticipated (Schedule 12-1).

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## Instructions

- There is an instructions tab in the budget Excel file. In addition, each schedule has its own tab and instructions.
- The instructions should be read in full during the budget completion process.
- The instructions explain the steps in completing the budget and how to properly submit the budget.

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## Error Report

- The school will see an error if certain items are missing or incomplete.
- The error report does not check for every item that can be incomplete or incorrect.
- Errors within each schedule will be discussed during the training on that schedule.

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## Error Report

All errors on this page must be removed except if an email from a DPI auditor specifically excusing the error is submitted with the budget. See the comment on the question mark for information on resolving each error. Please be aware certain errors ensure that different amounts match exactly (including with decimal points).

COVER PAGE		
Line	Item	Result
[?] 1	Cover page completed	ERROR
[?] 2	The school must indicate the reason the budget is being completed	OK
[?] 3	The school must revise the reasons the budget is being completed	OK
SCHEDULE 2-1, 2-2, AND 2-3		
[?] 4	Prelim, 3rd Fri Sept, and/or 2nd Fri Sept Choice and SNSP enrollment is more than the all pupil enrollment	OK
[?] 5	The all pupil enrollment counts must be included for all count dates (Prelim, 3rd Fri Sept & 2nd Fri Jan)	OK
[?] 6	The Choice pupil enrollment counts must be included for all count dates (Prelim, 3rd Fri Sept & 2nd Fri Jan)	OK
[?] 7	Choice pupils by program does not equal the total Choice pupils count	OK
[?] 8	The SNSP pupil enrollment counts must be included for all count dates (Prelim, 3rd Fri Sept & 2nd Fri Jan)	OK
[?] 9	Planned outreach activities totaling 87.5 hours must be included on Schedule 2-3	OK
SCHEDULE 3		
[?] 10	Month of hire is not completed	OK
[?] 11	An explanation of who is included in Other Employees is not entered	OK
[?] 12	One or more explanations regarding supplies & utilities have not been entered	OK
[?] 13	One or more provider names have not been provided	OK
[?] 14	Expenses must be included for an auditor	OK
[?] 15	The school has indicated a contractor will provide transportation but no transportation costs are included	OK
[?] 16	The salaries eligible education expenses and primarily SNSP expense salaries are more than the total salaries	OK
[?] 17	Sch 3-1 and/or Sch 3-2 include SNSP expenses but the school isn't participating in SNSP	OK
[?] 18	The prepaid balance on Schedule 3-3 is less than the DPI auditor fee as of 6/30/20 or 6/30/21	OK
[?] 19	Expenses must be included for a student information system	OK
[?] 20	The cash payments section in Schedules 3-1, 3-2, and/or 3-3 are not completed	OK

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## Error Report

- If you have an error you are trying to resolve, put your cursor on the [?]. A comment will show explaining how to resolve the error.
- If you are not able to resolve the error, email a copy of your budget to [dpchoiceauditreports@dpi.wi.gov](mailto:dpchoiceauditreports@dpi.wi.gov) and explain which error you are trying to resolve.

(question mark for information on resolving each error. Please be aware certain errors ensure that different amounts match exactly (including with decimal points).)

COVER PAGE		
Line	Item	Result
[?]	<b>COVER PAGE COMPLETE:</b>	<b>ERROR</b>
[?]		OK
[?]	The school must complete all yellow cells on the cover page, including indicating all programs it will be participating in.	OK
[?]		
[?]		OK
[?]	5 The all pupil enrollment counts must be included for all count dates (Prelim, 3rd Fri Sept & 2nd Fri Jan)	OK

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## Cover Page

- Fill out completely.
- Be sure the Choice Administrator signs and dates the budget.
- Include the name of the individual preparing the report, if applicable.

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## Cover Page

I. GENERAL INFORMATION	
Name of Legal Entity of School Must match entity name associated with the school's Federal Tax ID	
School Name	School City
Place an "X" next to all programs the school will participate in during the 2021-22 school year. This must match the school's Intent to Participate form (ITP). Note the SNSP requires a different ITP from the other programs.	
<input type="checkbox"/> Milwaukee Parental Choice Program (MPCP)	<input type="checkbox"/> Wisconsin Parental Choice Program (WPCP or Statewide)
<input type="checkbox"/> Racine Parental Choice Program (RPCP)	<input type="checkbox"/> Special Needs Scholarship Program (SNSP)
II. REASON COMPLETING BUDGET	
Place an "X" next to the reason(s) the school is completing this budget.	
<input type="checkbox"/>	Budget due by August 1, 2020 for schools in their first year of participation in the MPCP, RPCP, and WPCP (collectively 'Choice'). If the school withdrew or was terminated from all Choice programs, the school is in its first year of participation.
<input type="checkbox"/>	Budget due by May 1, 2021 for schools in their first year of participation in the MPCP, RPCP, and WPCP (collectively 'Choice'). If the school withdrew or was terminated from all Choice programs, the school is in its first year of participation.
<input type="checkbox"/>	Continuing MPCP, RPCP, or WPCP responding to a financial viability request from the department.
<input type="checkbox"/>	SNSP required financial information for schools that DID NOT participate in SNSP, MPCP, RPCP, or WPCP in both 2019-20 AND 2020-21.
<input type="checkbox"/>	SNSP required financial information for schools that PARTICIPATED in SNSP, MPCP, RPCP, or WPCP in both 2019-20 AND 2020-21.

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## Cover Page

- There are errors on almost every schedule that feed into Line 4.
- The budget isn't complete until all of the errors have been cleared.

III. COMPLETENESS REQUIREMENTS	
In order to be considered complete, the budget MUST MEET ALL OF THE REQUIREMENTS below. Line 4 may not say ERROR(S) IDENTIFIED! unless an email from one of the DPI Auditors specifically excusing the error is attached to the budget. FAILURE TO PROVIDE ALL OF THE REQUIRED DOCUMENTS ON THE REQUIRED ATTACHMENTS PAGE MAY RESULT IN A NEW CHOICE SCHOOL BEING BARRED FROM PARTICIPATION IN THE PROGRAM IN THE 2021-22 SCHOOL YEAR.	
1	The budget is received by DPI no later than the required due date.
2	The budget submitted to the DPI is the final school version. Drafts are not acceptable.
3	The Choice/SNSP administrator on the Intent to Participate form must sign and date the yellow box below.
4	No errors may be included on the error report. <b>ERROR(S) IDENTIFIED!</b>
5	The budget has been completed at the legal entity level, meaning it includes all balances and activity for the organization with the same Federal Tax ID number as the school.
6	All of the required documents with a "Yes" in Column B of the required attachments page have been submitted with the budget.

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## Cover Page

IV. SIGNATURE			
<p>All schools: I certify that the information contained herein is correct and accurate, and includes all liabilities of the legal entity of the school. I understand the budget MUST MEET ALL OF THE REQUIREMENTS in Section III above. I agree that typing my name below constitutes a legal signature.</p> <p>For new schools participating in the IMCP, RPCP, or WPCP for the 2021-22 school year: I understand that the Department of Public Instruction (DPI) must receive a complete budget, including all required attachments, by the date in the instructions. Failure to provide a complete budget and all attachments by the required date may result in the school being ineligible to participate in the Choice program in the 2021-22 school year.</p>			
Electronic Signature of Choice/NSNP Administrator <i>The Administrator must type his/her name below.</i>	Date Signed		
<th colspan="2">V. INDIVIDUAL PREPARING REPORT</th>		V. INDIVIDUAL PREPARING REPORT	
Name of Individual Preparing the Report	E-mail Address		
Employer of Individual Preparing the Report - If Self Employed so State			

**BUDGET WILL NOT BE CONSIDERED COMPLETE WITHOUT ALL REQUIRED DOCUMENTS WITH A "YES" IN COLUMN B OF THE REQUIRED ATTACHMENTS PAGE**

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## Required Attachments

- The required attachments\* will be identified with a "Yes" and will be green.
- Certain areas in each schedule may trigger an attachment.
- We will discuss attachments applicable for each section as we go through that schedule.
- The required attachments are not accurate until the budget has been completed.

\*Attachments = supporting documentation

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## Required Attachments Tab

GENERAL ATTACHMENTS		
Line	A Attachment Description	B Document Required
1	Current balance sheet for the legal entity of the school dated no earlier than two months before the due date of the budget.	YES
2	Current year-to-date income statement for the legal entity of the school dated no earlier than two months before the due date of the budget.	YES
3	All cash and investment account bank statements for the legal entity of the school dated no earlier than two months before the due date of the budget.	YES
4	June 30, 2020 balance sheet for the legal entity of school. If the school is a current participant in the MPCP, RPCP, WPCP, or SNSP and submitted a standard 2019-20 financial audit (not a modified financial audit) at the legal entity level by October 15, 2020, this balance sheet is not required.	YES
5	Income statement from July 1, 2019 to June 30, 2020 for the legal entity of school. If the school is a current participant in the MPCP, RPCP, WPCP, or SNSP and submitted a standard 2019-20 financial audit (not a modified financial audit) at the legal entity level by October 15, 2020, this income statement is not required.	YES
6	Classroom configurations by classroom that indicates the number of students and their grade(s), number of teachers, and number of teacher's aides in each classroom.	NO
7	Printscreen from the City assessor office showing the owner of all locations included on Schedule 5-2. If unavailable, a property deed showing the owner. The address on the printscreen or deed must exactly match the address in Schedule 5-2.	NO
8	Lease agreement for all non rent leases with total payments owed in Schedule 5-3, Columns D-F greater than \$10,000. If a lease agreement has not yet been completed, indicate in the box on the next line when it is expected to be completed. A copy must be sent to the Department when completed.	No
9		
10	Rental agreement for all rented locations on Schedule 5-3. If a rental agreement has not yet been completed, indicate in the box on the next line when it is expected to be completed. A copy must be sent to the Department when completed.	NO
11		
12	New Private Schools as defined by Wis. Stat. 118.60 and 119.23 or schools that were not operating as a school in the previous school year: All written agreements for contributions from individuals or unrelated organizations, non-government grants, or fundraising on Schedule 4-2, Lines 1-18 above \$1,000. The written agreement must include the following: a) who will provide the funds, b) that the funds will be provided to the school, c) the amount that will be provided, d) when the funds will be provided, and e) an indication that the amounts do not need to be paid back. All Other Schools: All written agreements for contributions from individuals or unrelated organizations, non-government grants or fundraising on Schedule 4-2, Lines 1-18 with a Yes in Column F that are at or above the threshold described at the top of Schedule 4-2.	NO

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## Knowledge Check

**The legal entity of the school includes a church. What activity, balances and general information needs to be included in the budget?**

- Only the school's activity, balances and general information needs to be included in the budget.
- The entire legal entity's activity, balances and general information needs to be included in the budget. This means all of the church activity, balances and general information must be included, in addition to the schools.

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## Questions?



If you have a question,  
please use the Q&A button  
at the top of the screen.

Questions after the training may be  
emailed to  
[dpchoiceauditreports@dpi.wi.gov](mailto:dpchoiceauditreports@dpi.wi.gov).



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## **SCHEDULE 1: BUDGET QUESTIONNAIRE**

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## Schedule 1: Budget Questionnaire

GENERAL	
1) What year did the organization begin operating a school?	
2a) Is the school affiliated with a church?	
2b) If 2a is yes, what is the name of the church?	
2c) If 2a is yes, do the church and school have the same federal tax id number?	
3a) Is the school part of a synod, archdiocese, or other association of churches?	
3b) If 3a is yes, what is the name of the association?	
4a) Does the legal entity of the school operate a daycare/preschool? If part of the legal entity of the school includes a daycare/preschool, "Yes" must be selected from the drop down. This does not include before or aftercare for students in K-12 in educational programming.	
4b) Explain any non-school activities of the legal entity, other than operating a church or daycare. If there are none, insert "None."	
5a) Select the explanation of the operating organization of the school from the drop down.	
5b) No additional information required.	

QUESTION COMPLETED	
Complete question 1	ERROR
Complete question 2a	ERROR
Complete question 2b	OK
Complete question 2c	OK
Complete question 3a	ERROR
Complete question 3b	OK
Complete question 4a	ERROR
Complete question 4b	ERROR
Complete question 5a	ERROR
Complete question 5b	OK

- An error will show if the school has not answered the required questions.
- The legal entity of the school is based on the Federal Tax ID Number (FEIN) for the school. For example, if a church and school share an FEIN, they are the same legal entity.
- The operating organization is the organization that operates the school. For a combined church/school, this is typically the church.

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## Schedule 1: Budget Questionnaire

DEBT/LIABILITIES	
6a) Does the legal entity of the school have any liens, levies, or other disputed amounts with the IRS, DOR, DWD, or a vendor/third party. All items must be included whether or not the amounts owed are in dispute.	
6b) If 6a is yes, describe them below and attach documentation from the other party related to these amounts.	

- The organization must disclose any outstanding liens, levies or disputed amounts with a government agency or any other organization; whether or not the organization agrees with them.
- The school does not need to identify in this section a mortgage that includes a lien on the mortgaged property unless the payments are past due, the school is not in compliance with the debt covenants, or the lender has exercised the lien.
- Failure to disclose amounts could result in the school not being allowed to participate in the program.

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## Schedule 1: Budget Questionnaire

TRANSPORTATION		
7a) Place an X next to each type of transportation the school will provide (check all that apply):		
<input type="checkbox"/> To and from school	<input type="checkbox"/> Extra-curricular activities	<input type="checkbox"/> Daycare/church
<input type="checkbox"/> No transportation will be provided	<input type="checkbox"/> Field Trips	<input type="checkbox"/> Other (Explain Below)
<input type="text"/>		

7b) If the school is providing transportation, how will it be provided (check all that apply):		
<input type="checkbox"/> School provides own transportation	<input type="checkbox"/> School district provides and charges the school	
<input type="checkbox"/> School district provides free of charge	<input type="checkbox"/> Contracted from other third party	

- The organization must disclose if they will provide transportation (7a).
- If the organization will provide transportation, they must disclose how it will be provided (7b).

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## Schedule 1: Budget Questionnaire

FOOD SERVICES		
8a) Will the school provide food (check all that apply)?		
<input type="checkbox"/> School breakfast, lunch, or milk	<input type="checkbox"/> The school will not provide food	<input type="checkbox"/> Other (Explain Below)
<input type="checkbox"/> Daycare breakfast, lunch, milk or snack	<input type="checkbox"/> Food for church	<input type="text"/>
8b) How will the food service be provided (check all that apply)?		
<input type="checkbox"/> School district provides free of charge	<input type="checkbox"/> 3rd party contracted by school	<input type="checkbox"/> School provides itself
<input type="checkbox"/> School district provides at a cost	<input type="checkbox"/> 3rd party paid for directly by pupils	

- Indicate what type of food service will be provided (8a).
- Identify how the food service will be provided (8b).
- If food is provided directly by a 3<sup>rd</sup> party vendor and the parents pay the vendor directly, select, "3<sup>rd</sup> party paid for directly by pupils."
  - When parents pay the 3<sup>rd</sup> party vendor directly, then the food costs and revenues should NOT be included in the budget.

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## Schedule 1: Budget Questionnaire

8c) If the school will provide lunch, breakfast, or milk, insert the amount that will be provided in Columns B and C. If the food will be provided by a contractor, also insert the cost per meal or milk the contractor will charge in Column D. If the school is not providing any of a certain type, insert 0.

	A Type	B Number Served Per Day	C Number of Days	D Contractor Cost Per Meal or Milk
8d)	School Lunch			
8e)	School Breakfast			
8f)	School Milk			

8g) Include any other non-payroll related food costs below. If the school is obtaining food and food supplies other than school lunches, breakfasts, or milks from a contractor, include the cost in line 8h. Insert the cost the school pays for food it provides itself or other food related supplies in line 8i.

Complete number served by day and number of days (Cols B and C, Lns 8d-8f)

OK

OK

- If the organization is providing the food services, complete 8d-8f, columns B & C.
- If the organization has a contractor providing food service then complete 8d-8f, columns B, C, & D.

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## Schedule 1: Budget Questionnaire

8g) Include any other non-payroll related food costs below. If the school is obtaining food and food supplies other than school lunches, breakfasts, or milks from a contractor, include the cost in line 8h. Insert the cost the school pays for food it provides itself or other food related supplies in line 8i.

	A Type	B Total Cost	C Eligible Education Expenses
8h)	Other Contracted Food Costs		
8i)	Food Service Supplies		

Complete contractor costs (Col D, Lns 8d-8f and Cols B and C, Ln 8h)

OK

Complete Food Service Supplies

OK

- If the organization has a contracted vendor providing non-payroll food costs, then the total cost for the legal entity should be entered in line 8h.
  - Column B must include the total cost, even if the cost is not related to the school's educational programming.
  - Column C must include any other contracted costs that are eligible education expenses.
- If question 8b indicates the school is contracting for food service or paying for food from a district, but the school does not have any other contracted costs, 0 must be inserted in line 8h or the school will receive an error.

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## Schedule 1: Budget Questionnaire

8g) Include any other non-payroll related food costs below. If the school is obtaining food and food supplies other than school lunches, breakfasts, or meals from a contractor, include the cost in line 8h. Insert the cost the school pays for food it provides itself or other food related supplies in line 8i.			Complete contractor costs (Col D, Lns 8a-8f and Cols B and C, Ln 8h)  Complete Food Service Supplies	OK  OK
A Type	B Total Cost	C Eligible Education Expenses		
8h) Other Contracted Food Costs				
8i) Food Service Supplies				

- If the school is purchasing food and/or food related supplies itself, the related costs must go in line 8i.
- If question 8b indicates the school is providing food themselves, contracting for food service, or paying for food from a district, line 8i must be completed or the school will receive an error. If there are no other food service costs, insert 0.

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## Class Activity – Cover Page

- Go to the Budget and Cash Flow Report document in Excel that you downloaded from the Internet earlier. Input the below information into the budget for our example school.
- Click on the tab at the bottom of the Excel document and select Cover Page. Then, complete Section I and II of the Cover Page tab with the following information:
  - The legal entity of the school is Holy Love Church and School.
  - The name of the school is Holy Love School and it is located in Milwaukee.
  - The school indicated in its Intent to Participate that it will participate in the Milwaukee Parental Choice Program (MPCP) and the Wisconsin Parental Choice Program (WPCP).
  - The school is completing the budget that is due by August 1, 2020.

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## Cover Page



Wisconsin Department of Public Instruction  
Private School Choice Programs & Special Needs Scholarship Program  
**BUDGET REPORT AND ANTICIPATED CASH FLOW**  
FOR THE YEAR ENDING JUNE 30, 2022  
PI-PCP-14 (Revised 6-20)

"Instructions" tab. See the instructions for due dates.

This report is a requirement of s. 119.23, Wis. Stat. for MPCP, s. 118.60, Wis. Stat. for RPCP and WPCP, and s. 115.7915 for SNSP.

### I. GENERAL INFORMATION

Name of Legal Entity of School Must match entity name associated with the school's Federal Tax ID

Holy Love Church and School

School Name

Holy Love School

School City

Milwaukee

Place an "X" next to all programs the school will participate in during the 2021-22 school year. This must match the school's Intent to Participate form (ITP). Note the SNSP requires a different ITP from the other programs.

<input checked="" type="checkbox"/>	Milwaukee Parental Choice Program (MPCP)	<input checked="" type="checkbox"/>	Wisconsin Parental Choice Program (WPCP or Statewide)
<input type="checkbox"/>	Racine Parental Choice Program (RPCP)	<input type="checkbox"/>	Special Needs Scholarship Program (SNSP)

### II. REASON COMPLETING BUDGET

Place an "X" next to the reason(s) the school is completing this budget.

<input checked="" type="checkbox"/>	Budget due by August 1, 2020 for schools in their first year of participation in the MPCP, RPCP, and WPCP (collectively 'Choice'). If the school withdrew or was terminated from all Choice programs, the school is in its first year of participation.
<input type="checkbox"/>	Budget due by May 1, 2021 for schools in their first year of participation in the MPCP, RPCP, and WPCP (collectively 'Choice'). If the school withdrew or was terminated from all Choice programs, the school is in its first year of participation.
<input type="checkbox"/>	Continuing MPCP, RPCP, or WPCP responding to a financial viability request from the department.
<input type="checkbox"/>	SNSP required financial information for schools that DID NOT participate in SNSP, MPCP, RPCP, or WPCP in both 2019-20 AND 2020-21.
<input type="checkbox"/>	SNSP required financial information for schools that PARTICIPATED in SNSP, MPCP, RPCP, or WPCP in both 2019-20 AND 2020-21.

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## Questions?



If you have a question,  
please use the Q&A button  
at the top of the screen.

Questions after the training may be  
emailed to  
dpichoiceauditreports@dpi.wi.gov.



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## Class Activity – Schedule 1

- Next, go to the tab labeled Schedule 1 . In the top part of this Schedule enter the following information:
- The school began operating in 1966.
- It is part of a church named Holy Love.
- Holy Love is the operating organization.
- The school and the church have the same federal tax id number.
- The legal entity of the school is Holy Love Church and School. It includes a church and a daycare.
- The church is not part of an association of churches.

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## Schedule 1: General Information

GENERAL		QUESTION COMPLETED
1) What year did the organization begin operating a school?	1966	Complete question 1 OK
2a) Is the school affiliated with a church?	Yes	Complete question 2a OK
2b) If 2a is yes, what is the name of the church?	Holy Love	Complete question 2b OK
2c) If 2a is yes, do the church and school have the same federal tax id number?	Yes	Complete question 2c OK
3a) Is the school part of a synod, archdiocese, or other association of churches?	No	Complete question 3a OK
3b) If 3a is yes, what is the name of the association?		Complete question 3a OK
4a) Does the legal entity of the school operate a daycare/preschool? If part of the legal entity of the school includes a daycare/preschool, "Yes" must be selected from the drop down. This does not include before or aftercare for students in K-12 in educational programming.	Yes	Complete question 4a OK
4b) Explain any non-school activities of the legal entity, other than operating a church or daycare. If there are none, insert "None."	None	Complete question 4b OK
5a) Select the explanation of the operating organization of the school from the drop down.	Church in #2b is the operating organization	Complete question 5a OK
5b) No additional information required.		Complete question 5b OK

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## Class Activity – Schedule 1

- Complete Schedule 1 tab based on the following information:
  - Holy Love church and school do not have any disputed amounts.
  - The school district provides busing for the students to and from school. The school does not receive any money or pay any money for this.
  - The school uses a transportation contractor for school field trips.
  - The school provides 200 lunches, 200 milks, and 50 breakfasts through a contractor. They are provided 180 days of the year.
  - The school's food contractor charges \$3.00 per lunch, \$2.00 per breakfast, and \$0.20 per milk.
  - The school also contracts for lunch for the daycare which costs \$60,000.

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## Schedule 1: Debt/Liabilities & Transportation

### DEBT/LIABILITIES

6a) Does the legal entity of the school have any liens, levies, or other disputed amounts with the IRS, DOR, DWD, or a vendor/third party. All items must be included whether or not the amounts owed are in dispute.

Complete question 6a

ERROR

6b) If 6a is yes, describe them below and attach documentation from the other party related to these amounts.

Complete question 6b

OK

### TRANSPORTATION

7a) Place an X next to each type of transportation the legal entity of the school will provide (check all that apply):

<input type="checkbox"/> To and from school	<input type="checkbox"/> Extra-curricular activities	<input type="checkbox"/> Daycare/church
<input type="checkbox"/> No transportation will be provided	<input type="checkbox"/> Field Trips	<input type="checkbox"/> Other (Explain Below)

Complete question 7a

ERROR

7b) If the legal entity of the school is providing transportation, how will it be provided (check all that apply):

<input type="checkbox"/> School provides own transportation	<input type="checkbox"/> School district provides and charges the school
<input type="checkbox"/> School district provides free of charge	<input type="checkbox"/> Contracted from other third party

Complete question 7b

OK

40

## Schedule 1: Food Services

FOOD SERVICES			
8a) Will the legal entity of the school provide food (check all that apply)?			
<input type="checkbox"/> School breakfast, lunch, or milk	<input type="checkbox"/> The school will not provide food	<input type="checkbox"/> Other (Explain Below)	
<input type="checkbox"/> Daycare breakfast, lunch, milk or snack	<input type="checkbox"/> Food for church		
8b) How will the food service be provided (check all that apply)?			
<input type="checkbox"/> School district provides free of charge	<input type="checkbox"/> 3rd party contracted by school	<input type="checkbox"/> School provides itself	
<input type="checkbox"/> School district provides at a cost	<input type="checkbox"/> 3rd party paid for directly by pupils		
8c) If the school will provide lunch, breakfast, or milk, insert the amount that will be provided in Columns B and C. If the food will be provided by a contractor, also insert the cost per meal or milk the contractor will charge in Column D. If the school is not providing any of a certain type, insert 0.			
	A Type	B Number Served Per Day	C Number of Days
8d)	School Lunch		
8e)	School Breakfast		
8f)	School Milk		
8g) Include any other non-payroll related food costs below. If the legal entity of the school is obtaining food and food supplies other than school lunches, breakfasts, or milks from a contractor, include the cost in line 8h. Insert the cost of the food that is directly purchased or other food related supplies in line 8i.			
	A Type	B Total Cost	C Eligible Education Expenses
8h)	Other Contracted Food Costs		
8i)	Food Service Supplies		
Complete question 8a			
ERROR			
Complete question 8b			
OK			
Complete number served by day and number of days (Cols B and C, Lns 8d-8f)			
OK			
Complete contractor costs (Col D, Lns 8d-8f and Cols B and C, Ln 8h)			
OK			
Complete Food Service Supplies			
OK			
9			
Total Number of Errors			

41

## SCHEDULE 2: ANTICIPATED ENROLLMENT

42

## Pupil Count Reports

- Pupil count reports are used to count students by grade for purposes of payment of Choice state aid.
- Schools complete three pupil count reports each year located in the Online Application System (OAS):
  - Preliminary Enrollment Report due by the last weekday of August.
  - 3<sup>rd</sup> Friday in September Pupil Count Report due by the last weekday of September.
  - 2<sup>nd</sup> Friday in January Pupil Count Report due by the last weekday of January.

\*Training modules 9-2 & 9-3 are located on the DPI website with instructions on how to properly complete these reports.

43

## Preliminary Enrollment Report

- Provide the total number of All pupils and Choice pupils enrolled at the school.
- Includes the students with an eligible Choice application who are enrolled at the school at the beginning of the year who have not withdrawn from the school and are not expected to withdraw by the 3<sup>rd</sup> Friday in September.

44

### 3rd Friday in September and 2nd Friday in January Pupil Count Reports

- Identify the following for each Choice pupil as of the applicable count date:
  - The grade the pupil was in; and
  - Whether the pupil met the count requirements.
- Provide the total number of All Pupils and Choice Pupils at the school.

45

### 3rd Friday in September and 2nd Friday in January Pupil Count Reports

- A pupil meets the attendance requirements if one of the following apply:
  - The pupil was in attendance for instruction on the count date; or
  - The pupil was absent on the count date, but attended the school for instruction at least one day during the school term prior to the count date and at least one day after the count date and was not enrolled in another school in or out of Wisconsin, including another private school, homeschooled, or a charter school.

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## Full Time Equivalent

- Students in grades 1-12 are counted as 1.0 FTE.
- Five-year-old kindergarten (K5) students are counted as:
  - 0.5 FTE if attending less than full-time but at least 437 hours a school year.
  - 0.6 FTE if attending 3 full days of instruction each week
  - 0.8 FTE if attending 4 full days of instruction each week
  - 1.0 FTE if they attend school 5 full days a week.

\*437 hours is the minimum amount of time a K5 student must attend in a school year to receive a choice payment.

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## Full Time Equivalent (cont)

- Four-year-old kindergarten (K4) students are counted as follows:
  - K4 students are generally counted as 0.5 FTE.
  - If the school provides an additional 87.5 hours of parental outreach activities for the parents of K4 students, the school may count the students as 0.6 FTE.

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## Private School Choice Programs Payment

- During the school year the department pays the maximum voucher amount for each student. Choice payments are made based on eligible pupils and are not a reimbursement of expenses.
- The budget is based on the expected 2020-2021 payment rates since the 2021-22 payment rates will not be known until the state budget passes. The K4-8 payment rate in the budget is \$8,300 per FTE and the 9-12 payment rate in the budget is \$8,946.

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## Payment Process

- Choice payments are sent to eligible schools in September, November, February, and May.
- September payment is 25% of the annual choice payment amount for each student on the Preliminary Enrollment Report.
- November payment is 50% of the annual FTE choice payment amount less the September payment for each student on the Preliminary Enrollment Report. The summer school payment, if applicable, is sent at the same time through a separate ACH.
- February & May payments are each 25% of the annual FTE for each student on the January Pupil Count Report with an eligible application.

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## Schedule 2-1: All Pupil Count

ALL PUPILS ANTICIPATED ENROLLMENTS						
Line	A Count Category	B Preliminary Enrollment	C 3rd Friday Sept Count	D 2nd Friday Jan Count	E FTE Factor	F Average FTE
1	4-Year-Old K/437 Hours				0.5	-
2	4-Year-Old K/437 Hours + 87.5 Hrs. Outreach				0.6	-
3	5-Year-Old K/5 Day				0.5	-
4	5-Year-Old K/3 Day				0.6	-
5	5-Year-Old K/4 Day				0.8	-
6	5-Year-Old K/5 Day				1.0	-
7	Grades 1-8				1.0	-
8	TOTAL K4-8 ALL PUPILS	-	-	-		-
9	Grades 9-12				1.0	-
10	TOTAL ALL PUPILS	-	-	-		-

- Include the total anticipated pupils at your school.

51

## Schedule 2-1: All Pupil Count

- Include ALL pupils at your school in grades K4-12, even if a particular grade is not offered to Choice students.
- However, if the school holds any grade, such as K4, for the public school district do not include:
  - The pupils in the all pupil count,
  - The costs for the pupils in the eligible education expenses (the costs will still be in total costs), or
  - The revenue as offsetting revenue.

52

## Schedule 2-1: All Pupil Count

- If the school has kindergarten age students enrolled in day care, they are not included in the all pupil count.
- If K4 or K5 are available grades for the Choice program or SNSP, the grades must be identified as educational programming.
- If the school is providing educational programming for K4 or K5, meets the required number of hours of instruction, and the pupils are age eligible, then the pupils in K4 or K5 should generally be included in the all pupil count.

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## Schedule 2-1: Choice Pupils

CHOICE PUPILS ANTICIPATED ENROLLMENTS						
Line	A Count Category	B Preliminary Enrollment	C 3rd Friday Sept Count	D 2nd Friday Jan Count	E FTE Factor	F Average FTE
11	4-Year-Old K/437 Hours				0.5	-
12	4-Year-Old K/437 Hours + 87.5 Hrs. Outreach				0.6	-
13	5-Year-Old K/5 Day				0.5	-
14	5-Year-Old K/3 Day				0.6	-
15	5-Year-Old K/4 Day				0.8	-
16	5-Year-Old K/5 Day				1.0	-
17	Grades 1-8				1.0	-
18	TOTAL K4-8 CHOICE PUPILS	-	-	-		-
19	Grades 9-12				1.0	-
20	TOTAL CHOICE PUPILS	-	-	-		-

- Include the expected number of Choice pupils who are anticipated to attend in Columns B, C, & D.
- The Choice counts included on this schedule will determine the Choice revenue included in the budget.

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## Schedule 2-1: An Error Will Occur If All The Columns are Not Completed

ALL PUPILS ANTICIPATED ENROLLMENTS				
Line	A Count Category	B Preliminary Enrollment	C 3rd Friday Sept Count	D 2nd Friday Jan Count
1	4-Year-Old K/437 Hours			
2	4-Year-Old K/437 Hours + 87.5 Hrs. Outreach			
3	5-Year-Old K/5 Day			
4	5-Year-Old K/3 Day			
5	5-Year-Old K/4 Day			
6	5-Year-Old K/5 Day			
7	Grades 1-8			
8	TOTAL K4-8 ALL PUPILS	-	-	-
9	Grades 9-12			
10	TOTAL ALL PUPILS	-	-	-

CHOICE PUPILS ANTICIPATED ENROLLMENTS				
Line	A Count Category	B Preliminary Enrollment	C 3rd Friday Sept Count	D 2nd Friday Jan Count
11	4-Year-Old K/437 Hours			
12	4-Year-Old K/437 Hours + 87.5 Hrs. Outreach			
13	5-Year-Old K/5 Day			
14	5-Year-Old K/3 Day			
15	5-Year-Old K/4 Day			
16	5-Year-Old K/5 Day			
17	Grades 1-8			
18	TOTAL K4-8 CHOICE PUPILS	-	-	-
19	Grades 9-12			
20	TOTAL CHOICE PUPILS	-	-	-

- **All three columns must be completed** for the All Pupils and Choice Pupils or you will receive an error.

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## Schedule 2-1: Choice Pupils By Program

CHOICE PUPILS BY PROGRAM					
Line	A Count Category	B MPCP Count	C WPCP Count	D RPCP Count	E High Count
21	4-Year-Old K				0
22	5-Year-Old K				0
23	Grades 1-8				0
24	Grades 9-12				0
25	TOTAL CHOICE PUPILS	-	-	-	0

- The "High Count" (Column E) will automatically populate with the highest number of anticipated Choice pupils in Lines 11-19, Columns B, C, and D.
- Indicate which program the students are in for the high count in Lines 21-24.
- After completing columns B, C, and D, the Difference Column (Column F) must be zero (0) or you will have an error on the Error Report.

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## Questions?



If you have a question,  
please use the Q&A button  
at the top of the screen.

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## Review Question

Which of the following students should be included in the all pupil count?

Pupils participating in the Choice program	
Tuition paying pupils	
Pupils in day care	
Pupils on scholarship	
Pupils in second grade if the school does not provide second grade as an option for the Choice program.	

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## Schedule 2-1: Summer School

CHOICE 2021 SUMMER SCHOOL PUPILS			
Line	A Line Description	B Grades K-8	C Grades 9-12
26	Total Pupils		

- If the school will have Choice summer school in 2021, include the number of Choice pupils on Line 26.
- The Choice summer school revenue and cash payment will automatically be included in the budget. Do not include it separately elsewhere.

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## Class Activity: Complete Schedule 2-1

Category	All Pupil Count	MPCP Pupil Count	WPCP Pupil Count
4-Year-Old K/437 Hours	18	8	2
4-Year-Old K/437 Hours + 87.5 Hrs. Outreach			
5-Year-Old K/.5 Day			
5-Year-Old K/ 3 Day			
5-Year-Old K/ 4 Day			
5-Year-Old K/5 Day	20	13	5
Grades 1-8	60	35	5
Grades 9-12	25	10	5

- Use these same numbers for the Preliminary Enrollment Report, 3<sup>rd</sup> Friday in September, and 2<sup>nd</sup> Friday in January.

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## Class Activity: All Pupils Schedule 2-1

ALL PUPILS ANTICIPATED ENROLLMENTS						
Line	A Count Category	B Preliminary Enrollment	C 3rd Friday Sept Count	D 2nd Friday Jan Count	E FTE Factor	F Average FTE
1	4-Year-Old K/437 Hours				0.5	-
2	4-Year-Old K/437 Hours + 87.5 Hrs. Outreach				0.6	-
3	5-Year-Old K/5 Day				0.5	-
4	5-Year-Old K/3 Day				0.6	-
5	5-Year-Old K/4 Day				0.8	-
6	5-Year-Old K/5 Day				1.0	-
7	Grades 1-8				1.0	-
8	TOTAL K4-8 ALL PUPILS	-	-	-		-
9	Grades 9-12				1.0	-
10	TOTAL ALL PUPILS	-	-	-		-

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## Class Activity: Choice Pupils Schedule 2-1

CHOICE PUPILS ANTICIPATED ENROLLMENTS						
Line	A Count Category	B Preliminary Enrollment	C 3rd Friday Sept Count	D 2nd Friday Jan Count	E FTE Factor	F Average FTE
11	4-Year-Old K/437 Hours				0.5	-
12	4-Year-Old K/437 Hours + 87.5 Hrs. Outreach				0.6	-
13	5-Year-Old K/5 Day				0.5	-
14	5-Year-Old K/3 Day				0.6	-
15	5-Year-Old K/4 Day				0.8	-
16	5-Year-Old K/5 Day				1.0	-
17	Grades 1-8				1.0	-
18	TOTAL K4-8 CHOICE PUPILS	-	-	-		-
19	Grades 9-12				1.0	-
20	TOTAL CHOICE PUPILS	-	-	-		-
CHOICE PUPILS BY PROGRAM						
Line	A Count Category	B MPCP Count	C WPCP Count	D RPCP Count	E High Count	F Difference
21	4-Year-Old K				0	-
22	5-Year-Old K				0	-
23	Grades 1-8				0	-
24	Grades 9-12				0	-
25	TOTAL CHOICE PUPILS	-	-	-	0	-

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## Schedule 2-2: SNSP Counts

- Schools participating in the Special Needs Scholarship Program (SNSP) complete Schedule 2-2.
- Registration for the SNSP for the 2020-21 school year was due by March 1, 2020.
- SNSP students may only be included in Schedule 2-2 if the school completed the 2020-21 Intent to Participate for the SNSP by March 1, 2020.

\*Additional information on this program is available at:

<http://dpi.wi.gov/sms/special-needs-scholarship>

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## Choice & SNSP Count vs All Pupil Count Error

SCHEDULE 2-1, 2-2, AND 2-3		
[?] 4	Prelim, 3rd Fri Sept, and for 2nd Fri Sept Choice and SNSP enrollment is more than the all pupil enrollment	OK

- The Choice and SNSP pupils in the budget cannot be more than the All Pupil Count. Otherwise, you will receive an error.

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## SCHEDULE 2-3: K4 PARENTAL OUTREACH ACTIVITIES

See the K4 parental outreach training (Training 1-3) for information on the K4 parental outreach requirements:  
<https://dpi.wi.gov/sms/choice-programs/on-demand-training>

See K4 Parental Outreach Activities Bulletin:  
<https://dpi.wi.gov/sms/choice-programs/bulletins>

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## Schedule 2-3: Outreach Activities Summary

- List all activities that will be provided, what the educational component is for the K4 parents, the dates of the activity, and the hours of outreach provided for a K4 parent.

K4 OUTREACH ACTIVITIES				
If the school has included pupils in the K4 with outreach (.6 FTE) category, the following schedule must be completed. All activities must have an educational component for the K4 parents in their role as a K4 parent. The school must explain in column B how the outreach activity assists the K4 parent/caregiver in their parental role or the outreach activity will not be allowed. Activities that take place during the normal school day, including volunteering in the classroom, are not acceptable K4 outreach activities. Fundraising is also not an allowable K4 outreach activity. For guidance on outreach activities, see the Outreach Activities bulletin located at <a href="http://dpi.wi.gov/sms/choice-programs/bulletins">http://dpi.wi.gov/sms/choice-programs/bulletins</a> and <a href="http://dpi.wi.gov/sms/special-needs-scholarship-program/bulletins">http://dpi.wi.gov/sms/special-needs-scholarship-program/bulletins</a> . If additional space is needed put "See additional sheet" in line 21 and put the total hours from the sheet.				
Line	A Outreach Activity Description	B K4 Parent Educational Component for Role as K4 Parent	C Date(s) of Activity	D Hours
1				
2				
3				

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## K4 Outreach Error

- The total of all K4 outreach activities must be at least 87.5 hours or you will receive an error if you have included students in the “K4 with Outreach” category on Schedule 2-1.

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## Questions?



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## SCHEDULE 3: EXPENSES



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### Expenses for the Legal Entity

- All expenses for the legal entity must be included in the budget.
- For example, the expenses for a church and school sharing the same Federal Tax ID Number (the same legal entity) must be included in the budget.
- The budget Excel file will require identification of eligible vs. non-eligible education expenses.

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## Eligible Education Expenses

Eligible education expenses are all direct and indirect costs associated with a school's educational programming for pupils enrolled in kindergarten through 12<sup>th</sup> grade that are reasonable for the private school to achieve its educational purposes as determined by the school's written policy and tested by an independent auditor.

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## Eligible Education Expenses

- In order to include an expense as an eligible education expense, the expense must be included in the Statement of Activities (similar to an income statement), except for the cost of land.
- In order to include something as an eligible education expense, it must relate to a cash disbursement (either in the past, present or projected for the future).
- If a previously included eligible education expense is forgiven or it is determined it was not an appropriate expense, the current year eligible education expenses are reduced (adjusted) .

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## Related Services Examples

- Management/administrative
- Extracurricular programming and activities
- Development (fundraising) expenses
- Before and after school care for K-12 pupils
- Transportation
- Food service

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## Non-eligible Education Expenses

- Contributed services-the expense for donated services (such as accounting or legal services) .
- Contributed fixed assets or goods.
- Scholarship awards and financial support for pupils.
- Church expenses.
- Daycare expenses.
- Expenses for those enrolled in a public school district and attending the private school (such as K4 programs offered through the school districts).
- Bad Debt expenses.

74

## Eligible Education Expense Policy Requirements

- Written policy that is approved by the school's governing board.
- Describes the school's educational purpose.
- Describes the services related to educational programming that the school provides to pupils enrolled in kindergarten through 12<sup>th</sup> grade that are reasonable for the private school to achieve its educational purpose.
- Identifies any allocation methods that will be used, if applicable.

75

## Expense & Revenue Allocation Examples

If an expense or revenue is partially related to educational programming and partially not related to educational programming, the expense/revenue must be allocated using an allocation method.

Some examples include:

- Parish & school operations
- Day care & school operations
- Central administration for two or more schools
- Transportation provided to the school's pupils and other schools' pupils (shared transportation).

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## Expense & Revenue Allocation

- The budget first determines the eligible education expenses for all students at the school.
- Do not allocate for Choice versus Non-Choice pupil expense. This is done automatically for schools in another schedule.
- The school must determine what allocation methods will be used.
- The allocation methods must then be documented in the school's written eligible expense policy.

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## Potential Allocation Methods

- Miles driven or driver hours for items such as transportation costs.
- Time spent by an employee who performs work on eligible vs non-eligible job tasks.
- Pupil full-time equivalency (FTE) or headcount
- Employee full-time equivalency (FTE) or headcount
- Number of transactions for allocating items such as accounting costs.
- Square footage or square footage used over time for items such as rent.

78

## Accrual Basis of Accounting

The budget and financial audit must be prepared using the accrual basis of accounting.

- Revenues are included when they are earned.
- Expenses are included as an expense in the period they relate.
- Revenues and expenses are not necessarily included when the cash is received or paid.

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## Accrual Basis of Accounting

### • Expenses:

- Prepaid expenses are amounts that are paid but are related to a future time period.
- Accounts Payable balances represent amounts that were owed for (relate to) the school year that have not yet been paid.

### • Revenues:

- Deferred revenues are amounts that are received but are related to a future time period.
- Accounts receivable balances represent amounts owed to the school that were earned during the school year and have not yet been received.

80



## Activity - Determine the Correct Classification

- First determine if the item is an expense or revenue.
- Second determine which of the following classification applies:  
1) Deferred Revenue, 2) Prepaid Expense, 3) Accounts Receivable or 4) Accounts Payable

Description	Classification
The school participated in the school nutrition program and was owed \$5,000 for the June 2021 meals served but did not receive the payment until August 2021.	
The school had a landscaping business perform work in June 2021 but did not pay for the work until August 2021.	
The school pays for the July 2021 rent on June 30, 2021.	
The school receives tuition for the 2021-22 school year in May 2021.	

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## Questions?



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## Break

- When you return from the break, please enter the following in the Chat:
  - Your Name
  - School Name and School City

83

## Schedule 3-1: Salaries & Related Expenses

- Indicate the total number of individuals in each category in the Total HC (headcount) column.
- If any employees are included on line 11, then line 13 must be completed explaining their position or an error will be triggered in the error report.

STAFFING INFORMATION						
Identify the total headcount (HC) for each category and the teacher FTE (full time equivalent) for each category. Also identify the earliest month of hire for each position. Existing schools should put the month of hire as the first month the employees will work in the school year. Then, insert the total salaries that will be paid for each position category.						
Line	A Position Categories	B Total HC	C Teaching FTE	D Month of Hire	E Salaries	F Average Salaries
1	Administrative Staff					-
2	K-12 Before & After School Care Only Staff					-
3	Classroom Teachers					-
4	Classroom Teacher Aides					-
5	Maintenance Employees					-
6	Food Service Employees					-
7	Transportation Employees					-
8	SNSP Only Employees					-
9	Church Employees					-
10	Daycare/Preschool Employees					-
11	Other Employees					-
12	TOTAL		-		-	-
(Explain below what employees are included in Other Employees (Line 11).)						
13						

ERROR REPORT		
Line	Item	Result
[?]	10 Month of hire is not completed	OK
[?]	11 An explanation of who is included in Other Employees is not entered	OK

84

## Schedule 3-1: Salaries & Related Expenses

- Ensure you select the month of hire.

SCHEDULE 3-1: SALARIES & RELATED EXPENSES					
STAFFING INFORMATION					
Line	A Position Categories	B Total HC	C Teaching FTE	D Month of Hire	F Average Salaries
1	Administrative Staff				-
2	K-12 Before & After School Care Only Staff				-
3	Classroom Teachers				-
4	Classroom Teacher Aides				-
5	Maintenance Employees				-
6	Food Service Employees				-
7	Transportation Employees				-
8	SNSP Only Employees				-
9	Church Employees				-
10	Daycare/Preschool Employees				-
11	Other Employees				-
12	<b>TOTAL</b>	-	-		-
Explain below what employees are included in Other Employees (Line 11).					
13					

If average salaries is less than \$20,000, an explanation is required on Sch 11:

NO
NO
NO
NO
NO
NO
NO
NO
NO
NO
NO
0

Month of Hire Completed

OK
OK
OK
OK
OK
OK
OK
OK
OK
OK
OK
0

85

## Schedule 3-1 Explanations → Schedule 11-1

Line	A Position Categories	B Total HC	C Teaching FTE	D Month of Hire	E Salaries	F Average Salaries
1	Administrative Staff					-
2	K-12 Before & After School Care Only Staff					-
3	Classroom Teachers					-
4	Classroom Teacher Aides					-
5	Maintenance Employees					-
6	Food Service Employees					-
7	Transportation Employees					-
8	SNSP Only Employees					-
9	Church Employees					-
10	Daycare/Preschool Employees					-
11	Other Employees					-
12	<b>TOTAL</b>	-	-		-	-

If average salaries is less than \$20,000 an explanation is required on Sch 11:

NO
NO
NO
NO
NO
NO
NO
NO
NO
NO
NO
0

- If any of the average salaries are less than \$20,000 the school must explain why.
  - Typically this is because of hourly part-time employees.
- Any categories that require an explanation will have a "Yes" in the far right column of Schedule 3-1.
- Then, the explanation needs to be described in Schedule 11-1.

86

## Schedule 3-1: Expenses & Cash Flows

EXPENSES & CASH FLOWS						
Insert the primary SNSP expenses in Line 15 and the eligible education expenses, excluding primary SNSP expenses, in Line 14. Insert the total expenses for the school year in Line 16 and the Accounts Payable and Prepaid balances at the beginning of the school year in Lines 17 and 18. Line 19 will then indicate the amount that must be paid during the school year. Include the amount that will be paid for each month in lines 20-31. If the school will have a Prepaid Expense balance at the end of the year, insert it in Line 33. Finally, review the year end Accounts Payable balance in Line 34 to determine if it is correct.						
Line	A Line Description	B Salaries	C FICA & Medicare	D State & Federal Unemployment	E Employer Paid Benefits	Total
14	Eligible Education Expenses <i>Excluding Ln 15</i>					
15	Primarily SNSP Expenses					
16	Total 2021-22 Expenses					
17	June 30, 2021 Prepaid Expenses					
18	June 30, 2021 Accounts Payable					
19	TOTAL AMOUNT TO BE PAID					
20	July 2021 Cash Payments					
21	August 2021 Cash Payments					
22	September 2021 Cash Payments					
23	October 2021 Cash Payments					
24	November 2021 Cash Payments					
25	December 2021 Cash Payments					
26	January 2022 Cash Payments					
27	February 2022 Cash Payments					
28	March 2022 Cash Payments					
29	April 2022 Cash Payments					
30	May 2022 Cash Payments					
31	June 2022 Cash Payments					
32	TOTAL CASH PAYMENTS					
33	JUNE 30, 2022 Prepaid Expenses					
34	JUNE 30, 2022 ACCOUNTS PAYABLE					
Line	Highest Pupil Count	Teaching FTE	Average Pupils per Teacher	FICA & Medicare	Expected Unemployment	Unemployment Difference
35	0	0			-	0

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## Schedule 3-1: Expenses & Cash Flows

Line	A Line Description	B Salaries
14	Eligible Education Expenses <i>Excluding Ln 15</i>	
15	Primarily SNSP Expenses	
16	Total 2021-22 Expenses	
17	June 30, 2021 Prepaid Expenses	
18	June 30, 2021 Accounts Payable	
19	TOTAL AMOUNT TO BE PAID	

- Enter the eligible expenses in Line 14.
- Enter the total expenses in Line 16 for all but salaries (which is prefilled based on the information on the top of the schedule).
- Enter any prepaid payroll related expenses on Line 17.
- Enter any beginning Accounts Payable on Line 18.
  - Reminder: Accounts Payable balances represent amounts that were owed (relate to) the school year that have not yet been paid.
- The total amount to be paid will then show on Line 19.

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### Schedule 3-1: Expenses & Cash Flows

Line	A Line Description	B Salaries
14	Eligible Education Expenses <i>Excluding Ln 15</i>	
15	Primarily SNSP Expenses	-
16	Total 2021-22 Expenses	-
17	June 30, 2021 Prepaid Expenses	
18	June 30, 2021 Accounts Payable	
19	TOTAL AMOUNT TO BE PAID	-
20	July 2021 Cash Payments	
21	August 2021 Cash Payments	
22	September 2021 Cash Payments	
23	October 2021 Cash Payments	
24	November 2021 Cash Payments	
25	December 2021 Cash Payments	
26	January 2022 Cash Payments	
27	February 2022 Cash Payments	
28	March 2022 Cash Payments	
29	April 2022 Cash Payments	
30	May 2022 Cash Payments	
31	June 2022 Cash Payments	
32	TOTAL CASH PAYMENTS	-
33	JUNE 30, 2022 Prepaid Expenses	
34	JUNE 30, 2022 ACCOUNTS PAYABLE	-

• Enter the monthly cash payments in Lines 20-31.

• Enter any ending prepaid payroll related expenses in Line 33.

• The difference between the total amount to be paid (Line 19), the total cash payments (Line 32), and prepaid expenses (Line 33) will be included in the June 30, 2022 Accounts Payable (Line 34).

• Review the final Accounts Payable in Line 34 to ensure it is appropriate.

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### Payroll Requirements

- All schools are required to have:
  - A schedule of all pay dates for the 2021-22 school year (from July 1, 2021 to June 30, 2022).
  - 2021-22 written agreement for each employee specifying the employee's compensation and the dates they will be paid.
  - The agreement must require the signature of the employee and school representative.
- The schedule of all pay dates and written agreements for each employee must be submitted as attachments to the budget.
  - If the school uses the same template for categories of employees, the school may provide an example of each template rather than providing all employee agreements.
- The pay dates in Schedule 3-1 must be consistent with the schedule of pay dates and written agreements.

\*These agreements must be completed and signed before the first day that the employee starts working at the school for the 2021-22 school year.

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## Schedule 3-1: In Class Activity Recording Employee Salaries

STAFFING INFORMATION						
Identify the total headcount (HC) for each category and the teacher FTE (full time equivalent) for each category. Also identify the earliest month of hire for each position. Existing schools should put the month of hire as the first month the employees will work in the school year. Then, insert the total salaries that will be paid for each position category.						
Line	A Position Categories	B Total HC	C Teaching FTE	D Month of Hire	E Salaries	F Average Salaries
1	Administrative Staff					-
2	K-12 Before & After School Care Only Staff					-
3	Classroom Teachers					-
4	Classroom Teacher Aides					-
5	Maintenance Employees					-
6	Food Service Employees					-
7	Transportation Employees					-
8	SNAP Only Employees					-
9	Church Employees					-
10	Daycare/Preschool Employees					-
11	Other Employees					-
12	TOTAL	-	-			-

If average salaries is less than \$20,000, an explanation is required on Sch 11.

NO	Month of Hire Completed
NO	OK
NO	OK
NO	OK
NO	OK
NO	OK
NO	OK
NO	OK
NO	OK
NO	OK
NO	OK
NO	OK
0	0

Complete **Columns B, D, and E** with the following information:

**Year Round Staff:**

- ☐ 1 Administrator: \$60,000
- ☐ 1 Secretary: \$36,000
- ☐ 2 Food services staff: \$33,000
- ☐ 1 Pastor: \$55,800
- ☐ 2 Day care staff: \$48,000

**School year staff** (begin working in August of this school year):

- ☐ 5 teachers: \$220,000
- ☐ 3 teacher aides: \$77,000

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## Allocating Eligible Education Expenses–Time Spent

- The administrative staff & food service staff plan on spending 90% of their time on the school and 10% of their time on the day care.
- The Pastor teaches religion for 20% of her time and the teachers & teachers aids teach for 100% of their time.

Line	A Line Description	B Salaries
14	Eligible Education Expenses <i>Excluding Ln 15</i>	

Position Type	Total Salaries (This example excludes FICA, Unemployment, & Benefits)	Percent Related to Educational Programming	Eligible Education Expenses
Administrator	\$60,000		
Secretary	\$36,000		
Pastor	\$55,800		
Teachers	\$220,000		
Teacher Aides	\$77,000		
Food Service Staff	\$33,000		
Day Care Staff	\$48,000		
Total (Sch 3-1 Line 16)	\$529,800		

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### Schedule 3-1: In Class Activity - Recording Salaries Expense

- All salaries are paid on a one month lag:
- Year round employees are paid a total of \$19,400 a month.
- School year employees, who start working in August, are paid \$29,700 a month. School year employees are paid from Sept thru June .
- The school had one month of pay owed as of June 30, 2021 and June 30, 2022 for all the year round employees. The employees had the same pay in the 20-21 school year.
- Determine if the ending June 30, 2022 Accounts Payable balance on Line 34 is correct.

Line	A Line Description	B Salaries
14	Eligible Education Expenses <i>Excluding Ln 15</i>	
15	Primarily SNSP Expenses	-
16	Total 2021-22 Expenses	-
17	June 30, 2021 Prepaid Expenses	
18	June 30, 2021 Accounts Payable	
19	TOTAL AMOUNT TO BE PAID	-
20	July 2021 Cash Payments	
21	August 2021 Cash Payments	
22	September 2021 Cash Payments	
23	October 2021 Cash Payments	
24	November 2021 Cash Payments	
25	December 2021 Cash Payments	
26	January 2022 Cash Payments	
27	February 2022 Cash Payments	
28	March 2022 Cash Payments	
29	April 2022 Cash Payments	
30	May 2022 Cash Payments	
31	June 2022 Cash Payments	
32	TOTAL CASH PAYMENTS	-
33	JUNE 30, 2022 Prepaid Expenses	
34	JUNE 30, 2022 ACCOUNTS PAYABLE	-

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### Schedule 3-1: FICA & Medicare Taxes

	A		B	C	D	E
Line	Line Description		Salaries	FICA & Medicare	State & Federal Unemployment	Employer Paid Benefits
14	Eligible Education Expenses <i>Excluding Ln 15</i>		424,260	32,456		
15	Primarily SNSP Expenses		-	-		
16	Total 2021-22 Expenses		529,800	40,530		
17	June 30, 2021 Prepaid Expenses					
18	June 30, 2021 Accounts Payable		19,400			
19	TOTAL AMOUNT TO BE PAID		549,200	40,530	-	-
Line	Highest Pupil Count	Teaching FTE	Average Pupils per Teacher	FICA & Medicare	Expected Unemployment	Unemployment Difference
35	123	8	15	7.65%	7,455	(7,455)

- FICA & Medicare expenses will be included based on 7.65% of the salaries.
- If your school's amount is different, update the amount and explain why it is different in Schedule 11-1.
- Input when the cash payments will be made for FICA and Medicare.
- The school's percentage is auto-calculated on Line 35.

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### Schedule 3-1: State & Federal Unemployment

Line	A Line Description		B Salaries	C FICA & Medicare	D State & Federal Unemployment	E Employer Paid Benefits
14	Eligible Education Expenses <i>Excluding Ln 15</i>		424,260	32,456		
15	Primarily SNSP Expenses		-	-		
16	Total 2021-22 Expenses		529,800	40,530		
17	June 30, 2021 Prepaid Expenses					
18	June 30, 2021 Accounts Payable		19,400			
19	TOTAL AMOUNT TO BE PAID		549,200	40,530	-	-
Line	Highest Pupil Count	Teaching FTE	Average Pupils per Teacher	FICA & Medicare	Expected Unemployment	Unemployment Difference
35	123	8	15	7.65%	7,455	(7,455)

- Include the State and Federal unemployment total expenses, eligible expenses & monthly cash payments. The expected unemployment is on Line 35.
- The expected amount is calculated as:
  - Number of employees x 6% (.06) x \$7,000 (Federal unemployment)
  - Number of employees x 3.25% (.0325) x \$14,000 (State unemployment)
- If the unemployment difference is negative, you will be required to explain how you are exempt or explain how you calculated the unemployment.
- If the school uses the reimbursement financing option for state unemployment, a letter from the DWD indicating the school is using the reimbursement financing option will be required.

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### Schedule 3-1: Employer Paid Benefits

Line	A Line Description		B Salaries	C FICA & Medicare	D State & Federal Unemployment	E Employer Paid Benefits
14	Eligible Education Expenses <i>Excluding Ln 15</i>		424,260	32,456		
15	Primarily SNSP Expenses		-	-		
16	Total 2021-22 Expenses		529,800	40,530		
17	June 30, 2021 Prepaid Expenses					
18	June 30, 2021 Accounts Payable		19,400			
19	TOTAL AMOUNT TO BE PAID		549,200	40,530	-	-
Line	Highest Pupil Count	Teaching FTE	Average Pupils per Teacher	FICA & Medicare	Expected Unemployment	Unemployment Difference
35	123	8	15	7.65%	7,455	(7,455)

- Determine what benefits will be provided and how much they will cost. These amounts must be inserted in Column E. Some examples of benefits may be: employer retirement contributions or employee medical coverage, etc.

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### Schedule 3-1: Taxes & Benefits

- For our example organization (Holy Love), the organization is exempt from FICA/Medicare and unemployment taxes. So, the formulas in Column C (Lines 14 and 16) were deleted to remove the costs.
- In addition, our example organization does not provide any benefits to its employees.

Line	A Line Description		B Salaries	C FICA & Medicare	D State & Federal Unemployment	E Employer Paid Benefits
14	Eligible Education Expenses <i>Excluding Ln 15</i>		424,260			
15	Primarily SNSP Expenses		-	-		
16	Total 2021-22 Expenses		529,800			
17	June 30, 2021 Prepaid Expenses					
18	June 30, 2021 Accounts Payable		19,400			
19	TOTAL AMOUNT TO BE PAID		549,200	-	-	-
Line	Highest Pupil Count	Teaching FTE	Average Pupils per Teacher	FICA & Medicare	Expected Unemployment	Unemployment Difference
35	123	8	15	0.00%	7,455	(7,455)

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### Schedule 3-1: Recording Teaching FTE

- Column C or Teaching FTE is not based on inputting expenses, instead we are inputting the amount of time an employee spends on teaching. The data in Column C is used to identify the average number of pupils per teacher.
- For example, if a pastor spends 20% of her time teaching, we will enter the value of .2 in Column C, Line 9.

Line	A Position Categories	B Total HC	C Teaching FTE	D Month of Hire	E Salaries	F Average Salaries
1	Administrative Staff					-
2	K-12 Before & After School Care Only Staff					-
3	Classroom Teachers					-
4	Classroom Teacher Aides					-
5	Maintenance Employees					-
6	Food Service Employees					-
7	Transportation Employees					-
8	SNSP Only Employees					-
9	Church Employees					-
10	Daycare/Preschool Employees					-
11	Other Employees					-
12	TOTAL	-	-		-	-

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### Schedule 3-1: In Class Activity Recording Teaching FTE

Line	A Position Categories	B Total HC	C Teaching FTE	D Month of Hire	E Salaries	F Average Salaries
1	Administrative Staff					-
2	K-12 Before & After School Care Only Staff					-
3	Classroom Teachers					-
4	Classroom Teacher Aides					-
5	Maintenance Employees					-
6	Food Service Employees					-
7	Transportation Employees					-
8	SNSP Only Employees					-
9	Church Employees					-
10	Daycare/Preschool Employees					-
11	Other Employees					-
12	<b>TOTAL</b>	-	-		-	

Complete **Column C** with the following information:

- ☐ The administrator teaches classes for 25% of her time
- ☐ The Pastor teaches religion for 20% of his time
- ☐ The 5 teachers & 3 teacher aides teach 100% of their time

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### Schedule 3-1: Average Pupils per Teacher

Line	Highest Pupil Count	Teaching FTE	Average Pupils per Teacher	FICA & Medicare	Expected Unemployment	Unemployment Difference
35	123	8	15	7.65%	7,455	(7,455)

- The Average Pupils per Teacher is calculated based on the Highest Pupil Count from Schedule 2-1 divided by the Teaching FTE.
- If the average pupil per teacher ratio is greater than 25, you will be required to provide classroom configurations by classroom that indicates the number of students and their grade(s), number of teachers, and number of teacher's aides in each classroom.

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## Questions?



If you have a question,  
please use the Q&A button  
at the top of the screen.

Questions after the training may be  
emailed to  
[dpchoiceauditreports@dpi.wi.gov](mailto:dpchoiceauditreports@dpi.wi.gov).



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## Schedule 3-2: General Expenses

- Complete the total cost and education expenses.
- If no amounts are included in Lines 1-10 and one is required, you must explain why or you will receive an error.

Line	A Item Description	B Total Cost	C Education Expenses	D If no costs are included, explain how the utilities or supplies are being provided.
1	Telephone & Internet Access			
2	Electricity			
3	Gas			
4	Water and Other Utilities			
5	<b>TOTAL UTILITY</b>	-	-	
6	Administrative Supplies			
7	Classroom Supplies			
8	Pupil Transportation Supplies			
9	Food Service Supplies Sch 1, Ln 8i	-	-	
10	Building & Equipment Supplies			
11	<b>TOTAL SUPPLIES</b>	-	-	
12	Contributed Services, Assets, or Goods			
13	Bad Debt Expense			
14	Church Expenses			
15	Daycare & Preschool Expenses			
16	<b>TOTAL NON-ELIGIBLE EXPENSES</b>	-	-	

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## Schedule 3-2: General Expenses

EXPENSES			
Line	A Item Description	B Total Cost	C Education Expenses
12	Contributed Services, Assets, or Goods		-
13	Bad Debt Expense		-
14	Church Expenses		-
15	Daycare & Preschool Expenses		-
16	<b>TOTAL NON-ELIGIBLE EXPENSES</b>	-	-

If no costs are included, explain how the utilities or supplies are being provided.

- The non-eligible expenses in Column B (Lines 12 thru 15) are not eligible expenses. So, the education expenses in Column C are prefilled with a Zero (0).
- Other Church and Daycare expenses for the legal entity that were not included in any other schedules of the budget must be included here.

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## Schedule 3-2: General Expenses

- The utilities, supplies & non-eligible expenses that were entered in the last slide at the top of Schedule 3-2 are automatically included in Columns B, C, & D (Lines 17-18).
- Insurance expenses must be input separately in Column E.
- All Choice schools are required to have insurance.

Line	A Line Description	B Utility	C Supplies	D Non-Eligible Expenses	E Insurance
17	Total Eligible Education Expenses	-	-	-	
18	Total 2021-22 Expenses	-	-	-	
19	June 30, 2021 Prepaid Expenses				
20	June 30, 2021 Accounts Payable				
21	<b>TOTAL AMOUNT TO BE PAID</b>	-	-	-	-
22	July 2021 Cash Payments				
23	August 2021 Cash Payments				
24	September 2021 Cash Payments				
25	October 2021 Cash Payments				
26	November 2021 Cash Payments				
27	December 2021 Cash Payments				
28	January 2022 Cash Payments				
29	February 2022 Cash Payments				
30	March 2022 Cash Payments				
31	April 2022 Cash Payments				
32	May 2022 Cash Payments				
33	June 2022 Cash Payments				
34	<b>TOTAL CASH PAYMENTS</b>	-	-	-	-
35	JUNE 30, 2022 Prepaid Expenses				
36	<b>JUNE 30, 2022 ACCOUNTS PAYABLE</b>	-	-	-	-

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## Schedule 3-2: Expense Payment Requirements

Line	A Line Description	B Utility
17	Total Eligible Education Expenses	-
18	Total 2021-22 Expenses	-
19	June 30, 2021 Prepaid Expenses	
20	June 30, 2021 Accounts Payable	
21	TOTAL AMOUNT TO BE PAID	-
22	July 2021 Cash Payments	
23	August 2021 Cash Payments	
24	September 2021 Cash Payments	
25	October 2021 Cash Payments	
26	November 2021 Cash Payments	
27	December 2021 Cash Payments	
28	January 2022 Cash Payments	
29	February 2022 Cash Payments	
30	March 2022 Cash Payments	
31	April 2022 Cash Payments	
32	May 2022 Cash Payments	
33	June 2022 Cash Payments	
34	TOTAL CASH PAYMENTS	-
35	JUNE 30, 2022 Prepaid Expenses	
36	JUNE 30, 2022 ACCOUNTS PAYABLE	-

- All expenses must be paid:
  - As required by the written agreement.
  - If there is no written agreement, expenses must be paid within 90 days of the invoice or payment request.
  - When entering the cash payments for expenses ensure the dates of the payments meet this requirement.

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## Schedule 3-2 & 3-3 Prepaid Expenses & Accounts Payable

Line	A Line Description	B Utility
17	Total Eligible Education Expenses	-
18	Total 2021-22 Expenses	-
19	June 30, 2021 Prepaid Expenses	
20	June 30, 2021 Accounts Payable	
21	TOTAL AMOUNT TO BE PAID	-
22	July 2021 Cash Payments	
23	August 2021 Cash Payments	
24	September 2021 Cash Payments	
25	October 2021 Cash Payments	
26	November 2021 Cash Payments	
27	December 2021 Cash Payments	
28	January 2022 Cash Payments	
29	February 2022 Cash Payments	
30	March 2022 Cash Payments	
31	April 2022 Cash Payments	
32	May 2022 Cash Payments	
33	June 2022 Cash Payments	
34	TOTAL CASH PAYMENTS	-
35	JUNE 30, 2022 Prepaid Expenses	
36	JUNE 30, 2022 ACCOUNTS PAYABLE	-

- Schedule 3-2 and 3-3 also include lines for Prepaid Expenses (Lines 19 & 35).
- Reminder: Prepaid Expenses are amounts that are paid but are related to a future time period (i.e. Insurance).

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### Schedule 3-2 : Recording of Insurance Cost Example

Line	A Line Description	E Insurance
17	Total Eligible Education Expenses	10,000
18	Total 2021-22 Expenses	12,000
19	June 30, 2021 Prepaid Expenses	3,000
20	June 30, 2021 Accounts Payable	
21	<b>TOTAL AMOUNT TO BE PAID</b>	<b>9,000</b>
22	July 2021 Cash Payments	
23	August 2021 Cash Payments	
24	September 2021 Cash Payments	3,000
25	October 2021 Cash Payments	
26	November 2021 Cash Payments	
27	December 2021 Cash Payments	3,000
28	January 2022 Cash Payments	
29	February 2022 Cash Payments	
30	March 2022 Cash Payments	3,000
31	April 2022 Cash Payments	
32	May 2022 Cash Payments	
33	June 2022 Cash Payments	3,000
34	<b>TOTAL CASH PAYMENTS</b>	<b>12,000</b>
35	JUNE 30, 2022 Prepaid Expenses	3,000
36	JUNE 30, 2022 ACCOUNTS PAYABLE	-

- Example: Total insurance is \$12,000.
- \$2,000 is non-school related.
- The amount of insurance is the same for the 2020-21 and 2021-22 school years.
- The school pays 4 equal payments for insurance on:
  - June 30<sup>th</sup>
  - September 30<sup>th</sup>
  - December 31<sup>st</sup>
  - March 31<sup>st</sup>
- Each payment is for the insurance in the next quarter.

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### Questions?



## Cost Allocation Methods - Examples

- The next slides will discuss cost allocation examples.
- The first example will use employee time spent.
- The second example will be use pupil count.
- As a reminder our example organization is a church, school and operates a daycare.
- Food is provided for the school and the daycare.

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## Allocation Example #1 - Employee Time Spent for Cash Payments

Expense Item Description	Annual Total Cost	Eligible Portion Allocation Basis	Eligible Education Expense	Payment Timing
Telephone & Internet	\$2,400	Employee FTE	All utilities= \$1,700 per month	Paid month after incurred (monthly payment was the same in the prior school year)
Electricity	\$12,000	Employee FTE		
Gas	\$6,000	Employee FTE		
Water	Included with rent	Employee FTE	N/A	

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**Allocation Example #1 - Employee Time Spent**

Position Categories	# of Employees	Time Spent On Educational Programming	Employee FTE
Administrative Staff	2.00	90%	1.80
K-12 Before & After School Care Only	0.00		
Classroom Teachers	5.00	100%	5.00
Classroom Teacher Aides	3.00	100%	3.00
Maintenance Employees	0.00		
Food Service Employees	2.00	90%	1.80
Transportation Employees	0.00		
SNSP Only Employees	0.00		
Church Employees	1.00	20%	0.20
Daycare/Preschool Employees	2.00	0%	0.00
Other Employees	0.00		
<b>TOTAL</b>	<b>15.00</b>		<b>11.80</b>

**Employee FTE%=79%**

Calculated as (11.8 School FTE/15 Total Employee FTE)

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**Schedule 3-2 Example #1 Answer**

Expense Item Description	Total Annual Cost	Eligible Portion Allocation Basis	Education Expenses
Telephone & Internet	\$2,400	Employee FTE = 79%	\$2,400 x 79%=1,896
Electricity	\$12,000	Employee FTE = 79%	\$12,000 x 79%=9,480
Gas	\$6,000	Employee FTE = 79%	\$6,000 x 79%=4,740
Water	Included with rent	Employee FTE = 79%	0

Line	A Item Description	B Total Cost	C Education Expenses	D If no costs are included, explain how the utilities or supplies are being provided.
1	Telephone & Internet Access	2,400	1,896	
2	Electricity	12,000	9,480	
3	Gas	6,000	4,740	
4	Water and Other Utilities	-	-	Included with rent.
5	<b>TOTAL UTILITY</b>	<b>20,400</b>	<b>16,116</b>	

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### Allocation Example #1 - Employee Time Spent for Cash Payments

Expense Item Description	Annual Total Cost	Eligible Portion Allocation Basis	Cash Payments	Payment Timing
Telephone & Internet	\$2,400	Employee FTE= 79%	All utilities= \$1,700 per month	Paid month after incurred (monthly payment was the same in the prior school year)
Electricity	\$12,000	Employee FTE= 79%		
Gas	\$6,000	Employee FTE= 79%		
Water	Included with rent	Employee FTE= 79%	N/A	

\$ 2,400.00	$\$20,400 \times 79\% = \$16,116$
\$ 12,000.00	
\$ 6,000.00	$\$16,116 / 12 \text{ months} = \$1,700 \text{ Per Month}$
<u>\$ 20,400.00</u>	

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### Schedule 3-2 Example #1 Answer

Line	A Line Description	B Utility
17	Total Eligible Education Expenses	16,116
18	Total 2021-22 Expenses	20,400
19	June 30, 2021 Prepaid Expenses	
20	June 30, 2021 Accounts Payable	1,700
21	TOTAL AMOUNT TO BE PAID	22,100
22	July 2021 Cash Payments	1,700
23	August 2021 Cash Payments	1,700
24	September 2021 Cash Payments	1,700
25	October 2021 Cash Payments	1,700
26	November 2021 Cash Payments	1,700
27	December 2021 Cash Payments	1,700
28	January 2022 Cash Payments	1,700
29	February 2022 Cash Payments	1,700
30	March 2022 Cash Payments	1,700
31	April 2022 Cash Payments	1,700
32	May 2022 Cash Payments	1,700
33	June 2022 Cash Payments	1,700
34	TOTAL CASH PAYMENTS	20,400
35	JUNE 30, 2022 Prepaid Expenses	
36	JUNE 30, 2022 ACCOUNTS PAYABLE	1,700

- The school pays \$1,700 per month for utilities.
- The utilities are paid the month after incurred and the monthly payment was the same this year as in the prior school year.

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## Allocation Example #2 – Pupil Count

- The number of children and dates of attendance is as follows:
  - The daycare has 30 children and operates for 12 months.
  - The school has a headcount of 215 and operates for 10 months.

	Number of Children	Months	Total
Daycare	30	12	360
School	215	10	2,150
		<b>Grand Total:</b>	<b>2,510</b>

School related percentage: 86%

(calculated as 2,150 school related / 2,510 total)

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## Schedule 3-2: In Class Activity Answers

(line 9 amounts come from Schedule 1 line 8i)

Expense Item Description	Total Annual Costs	Eligible Education Portion Allocation Basis
Administrative supplies	\$2,000	Employee FTE = 79%
Classroom Supplies	\$10,000	100% Eligible
Food Services Supplies	\$1,500	Food Provided Allocation = 86%

Schedule 1

	A Type	B Total Cost	C Eligible Education Expenses
8h)	Other Contracted Food Costs	60,000	0
8i)	Food Service Supplies		

Schedule 3-2

Line	A Item Description	B Total Cost	C Education Expenses	D If no costs are included, explain how the utilities or supplies are being provided.
6	Administrative Supplies			
7	Classroom Supplies			
8	Pupil Transportation Supplies			
9	Food Service Supplies Sch 1, Ln 8i	-	-	
10	Building & Equipment Supplies			
11	TOTAL SUPPLIES	-	-	

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## Schedule 3-2: In Class Activity Answers

Expense Item Description	Annual Expense	Eligible Portion Allocation Basis
Church Expenses	\$12,000	N/A
Daycare Expense	\$6,000	N/A
Accountant donates their time	\$10,000 Fair Market Value	N/A
Receivable Write Off	\$2,000	N/A

EXPENSES				
Include the total costs and education expenses that the legal entity of the school will incur for the school year. Column C may only include eligible education expenses. If a cost partially relates to K-12 educational programming, the school must use an allocation method to determine the cost in Column C. If applicable, the school must include an explanation if no costs are included in lines 1-4 or 6-10.				
Line	A Item Description	B Total Cost	C Education Expenses	D If no costs are included, explain how the utilities or supplies are being provided.
12	Contributed Services, Assets, or Goods		-	
13	Bad Debt Expense		-	
14	Church Expenses		-	
15	Daycare & Preschool Expenses		-	
16	<b>TOTAL NON-ELIGIBLE EXPENSES</b>	-	-	
CASH FLOWS				

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## Schedule 3-2: In Class Activity Answers

Line	A Line Description	B Utility	C Supplies	D Non-Eligible Expenses	E Insurance
17	Total Eligible Education Expenses	16,116	12,870	-	
18	Total 2021-22 Expenses	20,400	13,500	30,000	
19	June 30, 2021 Prepaid Expenses				
20	June 30, 2021 Accounts Payable				
21	<b>TOTAL AMOUNT TO BE PAID</b>	20,400	13,500	30,000	-
22	July 2021 Cash Payments				
23	August 2021 Cash Payments				
24	September 2021 Cash Payments				
25	October 2021 Cash Payments				
26	November 2021 Cash Payments				
27	December 2021 Cash Payments				
28	January 2022 Cash Payments				
29	February 2022 Cash Payments				
30	March 2022 Cash Payments				
31	April 2022 Cash Payments				
32	May 2022 Cash Payments				
33	June 2022 Cash Payments				
34	<b>TOTAL CASH PAYMENTS</b>	-	-	-	-
35	JUNE 30, 2022 Prepaid Expenses				
36	<b>JUNE 30, 2022 ACCOUNTS PAYABLE</b>	20,400	13,500	30,000	-

• In Column C, the total monthly supply payment is 1,125.

• In Column D, the total monthly Non-Eligible Expenses is \$1,500.

• Column C & D are paid the month after the expense is incurred and the amount was the same in the prior year.

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## Questions?



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## Schedule 3-3 General Expenses

Line	A Item Description	B Total Cost	C Education Expenses	D Provider Name <i>If not known, insert TBD</i>
1	Accounting Services			
2	Independent Auditing Services			
3	Consultant, Legal & Other Services			
4	<b>TOTAL SERVICES COSTS</b>	-	-	
5	Contractor Provided Pupil Transportation			
6	Student Information System			
7	Contractor Provided Food Service	-	-	
8	<b>TOTAL CONTRACTOR COSTS</b>	-	-	

- Include the provider name for any lines items with dollar amounts in Column D. If the provider is not yet known, then insert TBD.
- All schools must have costs for independent auditing services (Line 2) and for a Student Information System (Line 6).
- Contractor transportation costs on line 5 maybe required based on the answers on Schedule 1.
- Food service on line 7 automatically fills in based on the information entered in Schedule 1. Add the provider name if there are costs associated with line 7.

**\*You will receive errors if the required information is not recorded.**

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### Schedule 3-3 : Student Information System

Line	A Item Description	B Total Cost	C Education Expenses	D Provider Name <i>If not known, insert TBD</i>
1	Accounting Services			
2	Independent Auditing Services			
3	Consultant, Legal & Other Services			
4	<b>TOTAL SERVICES COSTS</b>	-	-	
5	Contractor Provided Pupil Transportation			
6	Student Information System			

- Private schools participating in Choice programs must have a commercially-available **Student Information System (SIS)** capable of exchanging data with the state's data system.
  - Schools are required to submit secure, student-level assessment, attendance, graduation and demographic data, which will be used to create the annual school report cards mandated by the state legislature.
  - You must include the costs for a SIS vendor in your budget or you will receive an error.
- \*For more information on the SIS, see Training 4-1 on the on-demand training webpage.**

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### Schedule 3-3: DPI Auditor Fee

9	DPI Auditor Fee	350	350	
10	Field Trips & Extracurricular Activities			
11	Marketing & Continuing Ed			
12	Primarily SNSP Expenses			
13	Non-Administrative Fundraising Expenses			
14	Other Expenses			
15	<b>TOTAL OTHER EXPENSES</b>	350	350	

- The Choice DPI auditor fee is automatically included as a cost and education expenses if the school is participating in the Choice program. (On the Cover page when you select at least one of the choice programs, Line 9 will be populated automatically).
- You must include payment of the Choice DPI auditor fee for the 2022-23 school year if you are participating in the Choice program. Since it is due by January 10, 2022, the cash payment must be included in the cash flow.
- The auditor fee must be included as a prepaid expense as of June 30, 2021 and June 30, 2022 or you will receive an error.

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### Schedule 3-3 General Expenses

9	DPI Auditor Fee	350	350
10	Field Trips & Extracurricular Activities		
11	Marketing & Continuing Ed		
12	Primarily SNSP Expenses		
13	Non-Administrative Fundraising Expenses		
14	Other Expenses		
15	TOTAL OTHER EXPENSES	350	350

- Non-administrative fundraising expenses are included on Line 13. These should be included in both the Total Cost and Education Expenses columns.
- Examples of non-administrative fundraising expenses would include cost of Scrip cards or cost of food for a benefit dinner.
- Administrative expenses include costs for school personnel, mailings, copying, and fixed assets used for other school purposes.

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### Knowledge Check

Are the following items Non-Administrative or Administrative fundraising expenses?

Type of Expense	Non-Administrative or Administrative Fundraising Expense?
Development director salary & benefits	
Cost for scrip gift cards	
Mailings and copying	
Cost for food for benefit dinner	
Allocated cost for school gym for benefit dinner	
Allocated costs for school personnel who help with benefit dinner	

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## Schedule 3-3: In Class Example for Total Services Costs

Expense Item Description	Total Annual Cost	Eligible Portion Allocation Basis	Cash Payments
Accountant- Accountants R Us	\$6,000	Employee FTE=79%	\$500 per month for that month
Auditor- The External Audit Specialists	\$15,000	Employee FTE=79%	\$5,000 in December 2021, \$5,000 in May 2022, and \$5,000 in October 2022

Line	A Item Description	B Total Cost	C Education Expenses	D Provider Name <i>If not known, insert TBD</i>
1	Accounting Services	6,000	4,740	Accountants R Us
2	Independent Auditing Services	15,000	11,850	The External Audit Specialist
3	Consultant, Legal & Other Services			
4	TOTAL SERVICES COSTS	21,000	16,590	

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### Schedule 3-3: In Class Example Answers

Line	A Line Description	B Services Costs
16	Total Eligible Education Expenses	16,950
17	Total 2021-22 Expenses	21,000
18	June 30, 2021 Prepaid Expenses	
19	June 30, 2021 Accounts Payable	
20	<b>TOTAL AMOUNT TO BE PAID</b>	21,000
21	July 2021 Cash Payments	
22	August 2021 Cash Payments	
23	September 2021 Cash Payments	
24	October 2021 Cash Payments	
25	November 2021 Cash Payments	
26	December 2021 Cash Payments	
27	January 2022 Cash Payments	
28	February 2022 Cash Payments	
29	March 2022 Cash Payments	
30	April 2022 Cash Payments	
31	May 2022 Cash Payments	
32	June 2022 Cash Payments	
33	<b>TOTAL CASH PAYMENTS</b>	-
34	JUNE 30, 2022 Prepaid Expenses	
35	<b>JUNE 30, 2022 ACCOUNTS PAYABLE</b>	21,000

Expense Item Description	Cash Payments
Accountant- Accountants R Us	\$500 per month for that month
Auditor- The External Audit Specialists	\$5,000 in December 2021, \$5,000 in May 2022, and \$5,000 in October 2022

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### Schedule 3-3: In Class Example Total Contractor Costs

Expense Item Description	Annual Expense	Eligible Portion Allocation Basis	Cash Payments
Transportation Contractor- Ride With Us!	\$2,000	Only School Related=100%	\$6,000 in October 2021 and \$6,000 in March 2022
Student Information System- Students Inc.	\$10,000		
Food Service Contractor- Yummy, Yum Foods	Already entered (included based on completion of Schedule 1, lines 8d - 8h)	Already entered (included based on completion of Schedule 1, lines 8d - 8h)	\$5,000 in Aug 2021-Sept 2021 \$18,320 from Oct 2021-July 2022 Payments are made the month after they are incurred

Line	A Item Description	B Total Cost	C Education Expenses	D Provider Name If not known, insert TBD
5	Contractor Provided Pupil Transportation	2,000	2,000	Ride With Us!
6	Student Information System	10,000	10,000	Students Inc.
7	Contractor Provided Food Service	193,200	133,200	Yummy, Yum Foods
8	<b>TOTAL CONTRACTOR COSTS</b>	205,200	145,200	

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### Schedule 3-3: In Class Example Answers

Line	A Line Description	C Contractor Costs
16	Total Eligible Education Expenses	133,200
17	Total 2021-22 Expenses	205,200
18	June 30, 2021 Prepaid Expenses	
19	June 30, 2021 Accounts Payable	
20	TOTAL AMOUNT TO BE PAID	205,200
21	July 2021 Cash Payments	
22	August 2021 Cash Payments	
23	September 2021 Cash Payments	
24	October 2021 Cash Payments	
25	November 2021 Cash Payments	
26	December 2021 Cash Payments	
27	January 2022 Cash Payments	
28	February 2022 Cash Payments	
29	March 2022 Cash Payments	
30	April 2022 Cash Payments	
31	May 2022 Cash Payments	
32	June 2022 Cash Payments	
33	TOTAL CASH PAYMENTS	-
34	JUNE 30, 2022 Prepaid Expenses	
35	JUNE 30, 2022 ACCOUNTS PAYABLE	205,200

Expense Item Description	Cash Payments
Transportation Contractor- Ride With Us!	\$6,000 in October 2021 and \$6,000 in March 2022
Student Information System- Students Inc.	
Food Service Contractor- Yummy, Yum Foods	\$5,000 in Aug 2021-Sept 2022
	\$18,320 from Oct 2021-July 2022 Payments are made the month after they are incurred

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### Schedule 3-3: In Class Example Other Expenses

Expense Item Description	Total Annual Cost	Eligible Portion Allocation Basis	Cash Payments
DPI Auditor Fee	\$350	Only School Related = 100%	\$350 in January 2021 and January 2022
Field Trip Admission Fees	\$200		
Clubs & Sports Costs	\$1,000	Only School Related = 100%	\$725 per month for that month
Marketing	\$3,000		
Staff development	\$2,000		
Costs for Benefit Dinner	\$2,500		

Line	A Item Description	B Total Cost	C Education Expenses	D Provider Name <i>If not known, insert TBD</i>
9	DPI Auditor Fee	-	-	
10	Field Trips & Extracurricular Activities			
11	Marketing & Continuing Ed			
12	Primarily SNSP Expenses			
13	Non-Administrative Fundraising Expenses			
14	Other Expenses			
15	TOTAL OTHER EXPENSES	-	-	

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### Schedule 3-3: In Class Activity Answers

Line	A Line Description	D Other Expenses
16	Total Eligible Education Expenses	-
17	Total 2021-22 Expenses	-
18	June 30, 2021 Prepaid Expenses	
19	June 30, 2021 Accounts Payable	
20	<b>TOTAL AMOUNT TO BE PAID</b>	-
21	July 2021 Cash Payments	
22	August 2021 Cash Payments	
23	September 2021 Cash Payments	
24	October 2021 Cash Payments	
25	November 2021 Cash Payments	
26	December 2021 Cash Payments	
27	January 2022 Cash Payments	
28	February 2022 Cash Payments	
29	March 2022 Cash Payments	
30	April 2022 Cash Payments	
31	May 2022 Cash Payments	
32	June 2022 Cash Payments	
33	<b>TOTAL CASH PAYMENTS</b>	-
34	JUNE 30, 2022 Prepaid Expenses	
35	<b>JUNE 30, 2022 ACCOUNTS PAYABLE</b>	-

Expense Item Description	Cash Payments
DPI Auditor Fee	\$350 in January 2021 and January 2021
Field Trip Admission Fees	\$725 per month for that month
Clubs & Sports Costs	
Marketing	
Staff development	
Costs for Benefit Dinner	

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### Schedule 3-1, 3-2 & 3-3 (General Expense Related Errors)

[?]	20	The cash payments section in Schedules 3-1, 3-2, and/or 3-3 are not completed	OK
[?]	21	The amount of eligible education expenses must be completed in Schedules 3-1, 3-2, and/or 3-3	OK
[?]	22	The ending accounts payable balance cannot be negative in Schedules 3-1, 3-2, and/or 3-3	OK

- The cash payment section at the bottom of Schedule 3-1, 3-2, and 3-3 must be completed for all expenses.
- The amount that is an eligible education expense must also be completed for each schedule.
- The school will receive an error if the cash payments are not completed on any of the schedules.
- The ending Accounts Payable balance cannot be negative.
- The school should ensure that each schedule has the required information.

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## Questions?



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## New School Minimum Expense Levels

- Schools that are considered a new private school based on Wis. Stat. 118.60 and 119.23 or schools that were not operating as a school in the previous school year must have a minimum amount for the expenses for specific expenses. If the school does not include an amount that is at least as much as the minimum amounts, the minimum expense and cash payments to pay for the minimum expense will be added to the budget prior to determining whether the school meets the Choice requirements.
- The tab New School Minimums explains the items that require minimum amounts.

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## New School Minimum Expense Levels – Schedule 3-2

- **Utility Costs (Schedule 3-2, Lines 1-4):** The school must have a minimum of \$11,000 for total utilities on Line 5.
- **Administrative Supplies (Schedule 3-2, Line 6):** The expected administrative supplies are between \$1,000 and \$20,000. The school must have a minimum of \$1,000.
- **Classroom Supplies (Schedule 3-2, Line 7):** The expected classroom supplies are between \$2,000 and \$25,000. The school must have a minimum of \$2,000 if it has 1-20 students, \$5,000 if it has 21-50 students, or \$7,500 if it has more than 50 students.
- **Insurance (Schedule 3-2, Line 18, Column E):** The expected insurance cost is between \$7,500 and \$25,000. The school must have a minimum of \$7,500. Schools participating in the Choice programs are required to have insurance that meets the minimum requirements explained in the Insurance Requirements document available at <https://dpi.wi.gov/sms/choice-programs/school-information>.

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## New School Minimum Expense Levels – Schedule 3-3

- **Independent Auditing Services (Schedule 3-3, Line 2):** The expected independent auditing services cost is between \$7,500 and \$25,000. The school must have a minimum of \$7,500. Schools participating in the Choice programs are required to annually have an independent auditor hired by the school complete a September Enrollment Audit, January Enrollment Audit, Fiscal & Internal Control Practices Report, and Financial Audit.
- **Student Information System (Schedule 3-3, Line 6):** The expected student information system cost is between \$1,000 and \$25,000. The school must have a minimum of \$1,000. Schools participating in the Choice program are required to have a Student Information System.

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## New School Minimum Expense Levels – Food Expense

- **Internally Provided Food (Schedule 1, Line 8i and Schedule 3-1, Line 6):** If the school provides food itself, the minimum of food service supplies on Schedule 1, Line 8i and the food service employee salaries on Schedule 3-1, Line 6 must be at least as much as the number of pupils on lines 8d-8f, Column B times the number of days in Column C times \$3 for lunch, \$2 for breakfast, and \$0.20 for milk.
- **Review calculated amounts on the New School Minimums Tab to ensure the amount included in the budget is at least the expected minimum amount for internally provided food.**
- **Contracted Food (Schedule 1, Lines 8d-8f):** If the school will obtain food from the school district or from a 3rd party provider contracted by the school, the minimum rates on Schedule 1, Lines 8d-8f must be at least \$3.00 for lunch, \$2.00 for breakfast, and \$0.20 for milk.

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## Reminders for Expense Schedules (3-1, 3-2 & 3-3)

- Include all expenses for the entire legal entity.
- Identify both total and then eligible education expenses.
- Make sure the cash flows by month are completed for each column that includes expenses.
- Recheck the accounts payable and prepaid expenses - check the June 30, 2022 Accounts Payable amounts and make sure the amounts are reasonable.
- Include insurance expense, all budgets must include insurance expense (Schedule 3-2, column E).
- Make sure all the errors on the schedules and on the Error Tab are OK.
- Include supporting documentation as identified on the Required Attachments Tab.
- Make sure the minimum amount of expenses are included in the budget based on New School Minimums Tab

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## Questions & End of Section 1



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## Break

- When you return from the break, please enter the following in the Chat:
  - Your Name
  - School Name and School City

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